

## Message Text

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17

ACTION IO-14

INFO OCT-01 EUR-25 ISO-00 EB-11 AID-20 AF-10 ARA-16 EA-11

NEA-14 RSC-01 COME-00 LAB-06 SIL-01 TRSE-00 XMB-07

L-03 SPM-01 SP-03 EPA-04 CEQ-02 HUD-02 HEW-08 INT-08

AGR-20 DRC-01 /189 W

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R 260541Z SEP 74

FM AMEMBASSY VIENNA

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INFO USMISSION USUN

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E.O. 11652: N/A

TAGS: UNIDO, AORG, AFIN, EAID

SUBJECT: UNIDO - QUESTION OF ESTABLISHMENT OF  
A UN INDUSTRIAL DEVELOPMENT FUND

SUMMARY: MISSION HAS OBTAINED AND AIR POUCHED  
ADDRESSEES COPY OF DRAFT REPORT ON QUESTION  
ESTABLISHMENT OF A UN INDUSTRIAL DEVELOPMENT FUND  
PREPARED BY UNIDO SECRETARIAT AT NEW YORK'S REQUEST,  
PURSUANT TO OPERATIVE PARA 3 GA RESOLUTION 3086  
(XXVIII). DRAFT REPORT HAS BEEN TRANSMITTED BY  
UNIDO TO NEW YORK FOR APPROVAL IN PREPARATION FOR  
FORMAL SUBMISSION TO 29TH GA BY SYG. FOLLOWING ARE  
MISSION COMMENTS AFTER FIRST READING. END SUMMARY.

1. DRAFT REPORT IS VERY BRIEF AND HARDLY CONSTITUTES  
A REASONED DISCUSSION OF THE QUESTION.

2. OPENING GAMBIT IS REVIEW OF VARIOUS UN SPECIAL  
FUNDS (E.G. POPULATION, ENVIRONMENT, HUMAN SETTLEMENT,  
FERTILIZER SCHEME) ALREADY ESTABLISHED, PRESUMABLY  
INTENDED PARTLY TO FORESTALL ARGUMENTS THAT SINGLE  
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CENTRAL VOLUNTARY FUND (UNDP) WITH INTEGRATED PROGRAM-

MING OF UN DEVELOPMENT ACTIVITIES, INCLUDING THOSE IN INDUSTRIAL SECTOR, IS ONLY SENSIBLE APPROACH TO AVOID PROLIFERATION OF SPECIAL DEVELOPMENT FUNDS. ON THE OTHER HAND, LIST OF ACTIVITIES FOR WHICH FUND MIGHT BE USED INCLUDES A NUMBER WHICH WOULD PRESUMABLY NOT EASILY QUALIFY FOR UNDP FINANCING (E.G. FINANCING THE INSTRUMENTS OF CONSULTATION AND NEGOTIATION, STRENGTHENING UNIDO RESEARCH AND STUDY, STRENGTHENING THE INDUSTRIAL INFORMATION PROGRAM) AND WHICH WOULD OTHERWISE HAVE TO BE JUSTIFIED UNDER THE REGULAR BUDGET.

3. IN SECTION ENTITLED "AIMS AND PURPOSES OF IDF" ASSERTION IS MADE THAT FUND WOULD ENABLE UNIDO "TO PROVIDE MORE EFFECTIVE ASSISTANCE TO THE DEVELOPING COUNTRIES, CONSISTENT WITH THE MEASURES SET OUT IN GA RES 3202 (S-VI)." NO EXPOSITION IS MADE OF HOW "MORE EFFECTIVE ASSISTANCE" WOULD BE ACHIEVED, APART FROM THE STATEMENT THAT THE FUND WOULD PERMIT UNIDO TO FULFILL MANDATES "WHOSE IMPLEMENTATION HAS BEEN DELAYED OWING TO A LACK OF FINANCIAL RESOURCES," I.E. THAT IT COULD DO MORE THINGS WITH MORE MONEY. THIS LINE OF THOUGHT ASSUMES UNIDO ACCESS TO SUBSTANTIALLY GREATER RESOURCES IF IDF CREATED THAN GOVERNMENTS WOULD BE PREPARED TO CONTRIBUTE THROUGH EXISTING ANNUAL PLEDGING CONFERENCE AND OTHER FORMS OF VOLUNTARY CONTRIBUTION. THE SECRETARIAT'S VISION OF WHAT MIGHT BE ACHIEVED WITH AN IDF IS CAPSULED IN STATEMENT THAT "THE FUND SHOULD ALLOW UNIDO TO FUNCTION AS AN EFFECTIVE ORGANIZATION....., WHILE STIMULATING HARMONY AND COOPERATION AMONG DEVELOPED AND DEVELOPING COUNTRIES."

4. THE PAPER OFFERS A STATEMENT OF ACTIVITIES FOR WHICH THE IDF MIGHT BE USED WHICH COULD BE ATTRACTIVE TO THE LDCS, LEADING OFF WITH USING THE FUND TO FINANCE THE INSTRUMENTS OF CONSULTATION AND NEGOTIATIONS TO SUPPORT EFFORTS TOWARDS THE ESTABLISHMENT OF A NEW INTERNATIONAL ECONOMIC ORDER. LIST OF PROPOSED ACTIVITIES ALSO DRAWS HEAVILY ON THOSE DISCUSSED IN THE REPORT OF THE AD HOC COMMITTEE ON LIMITED OFFICIAL USE

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UNIDO STRATEGY (ID/B/142) (E.G. STUDIES AND RESEARCH, PROMOTIONAL ACTIVITIES, INFORMATION SERVICE), ALTHOUGH A SOMEWHAT DIFFERENT FOCUS OF WORK IS SUGGESTED, WITH STUDIES AND RESEARCH FOR EXAMPLE CONCENTRATING ON OVERALL LONG-RANGE PROSPECTS AND TRENDS OF INDUSTRIAL DEVELOPMENT AND ESTABLISHMENT OF AN EARLY-WARNING SYSTEM "DETECTING EVENTS AND TRENDS THAT MIGHT AFFECT THE INDUSTRIALIZATION PLANS AND POLICIES

OF DEVELOPING COUNTRIES."

5. DRAFT PAPER ASSUMES IDF COULD COMBINE VARIOUS  
EXISTING SOURCES OF UNIDO FUNDS OTHER THAN REGULAR  
BUDGET, THUS PUTTING AT ITS DISPOSAL FREELY  
CONVERTIBLE CURRENCIES TO AN EXTENT GREATER THAN  
NOW OBTAINS IN VOLUNTARY CONTRIBUTIONS TO UNIDIO, WITH  
RESULTING GREATER FLEXIBILITY IN PROGRAM IMPLEMENTATION.  
WHY A LARGER PROPORTION OR LARGER AMOUNTS WOULD BE IN  
CONVERTIBLE CURRENCIES IS NOT EXPLICITLY SPELLED OUT.

6. A SHORT SECTION ON INSTITUTIONAL ARRANGEMENTS AND  
MANAGEMENT OF THE IDF FAILS TO ADDRESS THE SUBJECT IN  
ANY MEANINGFUL FASHION. STIBRAVY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC ASSISTANCE, INDUSTRIAL DEVELOPMENT, FINANCIAL CONTRIBUTIONS  
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**Copy:** SINGLE  
**Draft Date:** 26 SEP 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Page Count:** 3  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 25 MAR 2002  
**Review Event:**  
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**Review History:** RELEASED <25 MAR 2002 by elyme>; APPROVED <21 MAY 2002 by golinofr>  
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**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** UNIDO - QUESTION OF ESTABLISHMENT OF A UN INDUSTRIAL DEVELOPMENT FUND  
**TAGS:** AORG, AFIN, EAID, UNIDO  
**To:** STATE  
**Type:** TE  
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